

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1676/1	Introduction Number AB-0057
-----------------------------	------------------------------------

Description
 requiring child support compliance for FoodShare benefits

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations				<input type="checkbox"/> Decrease Costs

Local:

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected		
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
				<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.435(4)(a), (bm), (bn), (n), (nn), and (pa)

Agency/Prepared By DHS/ Thomas Kelly (608) 266-0734	Authorized Signature Andy Forsaith (608) 266-7684	Date 4/11/2017
---------------------------------------------------------------	-------------------------------------------------------------	--------------------------

Fiscal Estimate Narratives

DHS 4/11/2017

LRB Number	17-1676/1	Introduction Number	AB-0057	Estimate Type	Original
Description requiring child support compliance for FoodShare benefits					

Assumptions Used in Arriving at Fiscal Estimate

This bill prohibits certain individuals and parents who refuse to cooperate in determining the paternity of a child or establishing or enforcing a child support order from being eligible for FoodShare benefits. The bill also prohibits certain parents who refuse to cooperate in providing or obtaining support for their child or who are delinquent in child support payments and do not satisfy an exception specified in the bill from being eligible for FoodShare benefits.

This proposal will require significant changes to the Client Assistance for Reemployment and Economic Support (CARES) eligibility system, which is used to manage FoodShare enrollment. The Department estimates that this proposal will require 6,000 hours of programming. These hours represent both initial programming for the FoodShare policy change as well as testing the system changes to ensure interoperability with the rest of the CARES system. The total one-time CARES programming cost for the project will be \$704,200 AF (\$352,100 GPR and \$352,100 FED).

It is estimated that it will require position authority for 0.50 FTE to develop the enrollment policy changes and track the impact of this policy change. The ongoing cost for salary, fringe, supplies, and services for this position is estimated to be \$47,000 AF (\$23,500 GPR and \$23,500 FED), and one-time costs will total \$7,500 AF (\$3,750 GPR and \$3,750 FED).

In addition, this proposal would also require additional training for the approximately 1,400 income maintenance (IM) staff at the ten IM consortia, the Milwaukee Enrollment Services Center (MilES), and tribal IM agencies with regard to the changes to the CARES system. These costs will be realized as one-time costs as the policy change is implemented. Then, these training materials will be incorporated into ongoing training. These training costs are estimated to be \$12,800 AF (\$6,400 GPR and \$6,400 FED). Ongoing training costs are estimated to be \$700 AF (\$350 GPR and \$350 FED) annually.

Prior to 2008, state statutes included a similar requirement to the one in this bill. On January 1, 2008, 1,100 individuals regained eligibility for FoodShare when the law was repealed. During calendar year 2007, the statewide average monthly FoodShare caseload was 165,194 cases. From December 2015 through November 2016, the statewide average monthly FoodShare caseload was 356,303 cases. With this growth in caseload, it is estimated that 2,357 cases will include individuals who will lose eligibility for FoodShare.

In addition to the estimated number of individuals who will lose eligibility, there are a total of 259,628 child support cases in arrears in Wisconsin. Of these, it is estimated that 20% of the payers of those child support orders are on FoodShare. These individuals would be at risk of losing eligibility and will need to be sent notifications informing them of the policy change. The cost of this mailing is estimated at \$52,000 AF (\$26,000 GPR and \$26,000 FED) in first year of implementation. The ongoing cost of these mailings is estimated to be \$50,800 AF (\$25,400 GPR and \$25,400 FED) annually.

Finally, it is estimated that about 2,400 cases would cycle in and out of compliance each year. This will generate work for IM staff. The Department estimates that IM consortia and tribal IM agencies will require an additional \$39,400 AF (\$19,700 GPR and \$19,700 FED) to perform this work. The cost for MilES is estimated to be \$17,800 AF (\$8,900 GPR and \$8,900 FED) and position authority for 0.26 FTE.

The total costs for this policy change is estimated to be \$725,700 AF (\$362,850 GPR and \$362,850 FED) in one-time costs and \$155,700 AF (\$77,850 GPR and \$77,850 FED) in ongoing annual costs.

Long-Range Fiscal Implications

The cost of this policy change in state fiscal year 2020 and beyond is estimated to be \$155,700 AF

(\$77,850 GPR and \$77,850 FED).

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1676/1	Introduction Number AB-0057	
Description requiring child support compliance for FoodShare benefits		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
One-time costs are estimated at \$725,700 AF (\$362,850 GPR and \$362,850 FED).		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$58,800	\$
(FTE Position Changes)	(0.8 FTE)	
State Operations - Other Costs	57,500	
Local Assistance	39,400	
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$155,700	\$
B. State Costs by Source of Funds		
GPR	77,850	
FED	77,850	
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$155,700	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
DHS/ Thomas Kelly (608) 266-0734		Andy Forsaith (608) 266-7684
		4/11/2017